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May 14, 2012

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL
Mr. John R. Forrester
Forrester Construction Company
12231 Park lawn Drive
Rockville, MD 20852

Re: Forrester's material breach of the three (3) Joint Ventures (JV's), EEC FCC DOES HQ JV, Ward 1 Sr. Wellness Ctr. JV & Anacostia Sr. HS JV

Dear Mr. Forrester:

This is to inform you again that Forrester Construction Company (FCC) first materially breached the JV agreements between EEC and Forrester. In fact, FCC's actions are nothing short of theft and fraud. Nevertheless, as a DC certified business enterprise (CBE), we were forced to engage in the settlement process with your company so your most recent default letters were left unchallenged while that process continued. As FCC has failed to negotiate in good faith, we can no longer allow your factual inaccuracies to stand. EEC wants nothing more than the truth to come out and for FCC to fully account for its actions. Unlike FCC, EEC has nothing to hide. Simply put, the factual allegations in your default letters are wrong and purposefully misleading to the contracting officials in the District of Columbia.

On August, 27, 2008 (DOES JV bank account), August 25, 2009 (Sr. Wellness Center JV bank account) and May, 5, 2010 (ASHS JV bank account) FCC "unilaterally" established bank accounts in the name of the JVs *AFTER* I co-signed bank signature cards for this same purpose. My signature never made it to the bank in establishing these three bank accounts. This is a material breach of Para. 3.f(5) and 6(b) of the Joint Venture Agreements. In addition, these actions violate Section 3(d) of the JV Agreement because FCC fraudulently failed to deliver my signature to the banks and fraudulent failed to establish the joint nature of the bank accounts. FCC told me that SunTrust would not allow FCC to add my signature after FCC fraudulently opened the bank accounts and I discovered what had transpired.

The DC code 2-218.39a and DSLBD law, 27 DCMR 811.1(a)(4) is consistent with these requirements. The law provides for the establishment and administration of a separate bank account in the name of the joint venture into which all funds received will be deposited and through which all expenses will be paid, and which requires all withdrawals and deposits to be approved by the CBE member of the joint venture management committee. FCC continues to be in violation of this law. In fact, FCC purposefully established the bank accounts to circumvent the law.

Your latest letters claiming that EEC is in breach are just another attempt by FCC to use a minority partner to obtain the benefit of a District of Columbia procurement and then find any excuse to manipulate the situation to the benefit of FCC without regard to the JV Agreement, your CBE partner, or the law. For example:

1. In EEC's December 19, 2011 letter "EEC/FCC JV Contracts for ASHS Project and DOES HQ", EEC's disagreed that it was in default per the JV agreement and in fact alleged that FCC was in default starting from the day the DOES bank account was established August 27, 2008. In EEC's letter, FCC was notified of its material breach under Section 6(b) of the JV Contracts for failing to provide EEC signatory access to the JV bank accounts.

2. FCC is in default for failing to follow the Management Comittee process for decision-making under Section 3 of the JV agreements in violation of 27 DCMR, 811.1(a)(8), which contains a provision indicating that the JV agreement is the controlling agreement between the parties regarding interest, ownership, control, responsibilities, duties, and functions of the parties and the JV agreement shall prevail if there is any conflict between the JV agreement and any other agreement between the parties. FCC has been making all major decisions regarding the JVs without EEC's input since the inception of the Joint Ventures. As a result, EEC, the CBE partner in the JV, is not able to make final and controlling decisions regarding the JVs. FCC has also subcontracted in the case of Sr. Wellness Center 100% of the contract to itself and deemed any information related to the subcontract off limits to the JV and more specifically, EEC.

3. FCC is in breach of Section 7 of the JV agreements by not providing EEC with complete and full access to the books and records of the JVs. The use of the term "propriety" by FCC has been used for certain reports (The Job Outcome Report, specifically) that reflect the job cost details that FCC is supposed to maintain and make copies available upon request. In some cases , EEC has only been allowed to review such data at FCC's office and hand copy the information needed. For this, FCC charged $40,200 per month on the DOES HQ JV, $7,500 per month on Sr. Wellness Center JV and $3,698 per month on ASHS JV.

4. FCC is also in violation of the following DSLBD regulations per our complaint to DSLDB in February 2012:

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27 DCMR 811.1 (a) (9) Specifies the responsibilities of the parties in at least the areas of negotiations with the owners, subcontract negotiations, contract & subcontract performance, FCC has handled all negotiations with DGS and all the subcontractors. FCC has purposely and systematically excluded EEC from and is not involved in the day to day management of the DOES, Sr. Wellness Ctr. & ASHS JVs. 27 DCMR 811.1(a)(10) indicates that the CBE shall perform services of the joint venture, receive profits of the joint venture, provide the labor hours required of the joint venture, or perform other work for the joint venture as approved by DSLBD that is at a minimum equal to its percentage of the ownership interest in the joint venture. FCC has relegated EEC (the 51% CBE partner) to providing approximately 10% of the labor hours required to manage the various projects, therefore less than 51% of the dollars spent to manage the projects go to EEC and EEC is performing less than 51% of the work.

5. 27 DCMR 811.1 (c) requires that all other agreements between the parties regarding the operations of the joint venture be submitted to DSLBD for prior approval. FCC has had EEC sign modifications and "actions of management committee" agreements under duress (while holding payments due to EEC for work in place) without DSLBD's approval of these agreements. FCC, in effect, established control of the JVs in contradiction of the spirit of the DSLBD law governing JVs. In the case of ASHS, FCC held a payment for $500K for work in place in a successful effort to force EEC to sign the action of management committee agreement, that why it was authored August 5th, 2010 and not ratified until December 20th, 2010, giving FCC control of the JV and subcontracting $46,146,682.00 or 93% of the contract to itself (Please note that some of the remaining 7% is the $820K JV Gross Profit). EEC was told a year into this JV that EEC would not be paid further until we signed the action of management committee agreement because "we didn't have an agreement in place". EEC had to sign the agreement in order to remain a viable entity as we had over 73 employees and subcontractors and material men on the project.

6. 27 DCMR 812.1 requires the JV to submit to DSLBD quarterly income statement showing all income or contract receipts and all expenses (including but not limited to, fees for services and labor, salaries of the JV principals and distributions of profits) no later than sixty (60) days after the end of each operating quarter of the calendar year. The construction on DOES HQ began in November 2008. No financial statements have been submitted to DSLBD

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since the start of that project. FCC maintained control of these records to the exclusion of EEC and in the case of DOES HQ, EEC was forced to agree to pay $40,200 per month for FCC to maintain the books and records.

7. Lastly, for close to a year and a half, FCC has delayed, neglected and ignored various requests from EEC with respect to processing potential change orders for ASHS, payments for work in place at ASHS, access to the books and records of all three JVs, and compliance with the terms and conditions of the three JV agreements.

At this point, EEC needs to be paid for work in place at ASHS which it hasn't been paid for six months now. We understand that FCC has been paid by the owner for some of the work EEC performed. Again, FCC's decision to withhold payment while trying to negotiate a lesser amount due EEC violates D.C. law. Please guide yourself accordingly.

Regards,

André J. Downey

Pres. / CEO

Cc:

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